

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:452

ANSWERED ON:27.07.2006

LOSSES OF PUBLIC SECTOR OIL COMPANIES

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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether any assessment has been made with regard to decrease in losses to Public Sector Oil Companies as a result of recent hike in prices of petroleum products;
- (b) if so, the details thereof;
- (c) whether the Government is also considering some other steps to make up the losses of public sector oil companies; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a)&(b): It has been estimated that with the hike in prices of petrol and diesel effected on 6th June 2006, the under-realisation of the PSU oil marketing companies will reduce.

(c)&(d): Government has taken the following additional measures to make up the losses of public sector oil companies for the current fiscal year:

Issue of oil bonds amounting to Rs.28,300 crores during 2006-07.

Sharing of Under-realisation by upstream oil companies amounting to Rs.24,000 crores during 2006-07.

Change in pricing methodology of petrol and diesel. Discount from refineries.

Reduction in Custom duty on Petrol & Diesel.